

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office**

**Bill Number: HB 2113
Revenue Area: Income Taxes
Economist: Chris Allanach
Date: 2/12/2016**

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description: Extends the sunset date for the tax credit for contributions to the Office of Child Care from January 1, 2016 to January 1, 2022.

Revenue Impact (in \$Millions):

| | Fiscal Year | | Biennium | | |
|---------------------|-------------|---------------|---------------|---------------|---------------|
| | 2015-16 | 2016-17 | 2015-17 | 2017-19 | 2019-21 |
| General Fund | \$0 | -\$0.5 | -\$0.5 | -\$1.0 | -\$1.0 |

Impact Explanation: The preliminary revenue impact provided here is based on the historical use of the tax credit. Use of the tax credit doubled between 2005 and 2012 from roughly 80 claimants to 160 claimants. The revenue impact also grew during this time period, increasing from roughly \$0.4 million in 2005 to nearly \$0.8 million in 2012. Current law includes an annual program cap of \$500,000 in tax credits that may be issued. The program cap is unaffected by the sunset extension but the estimate is based on the assumption that the annual cap is met each year. Further analysis will be done when the bill is in the Joint Committee on Tax Credits.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is

Further Analysis Required